nes, it withdraws and is not excavator or a steam shovel. of the ground is too hard, it matead of risking to lose its does not derail, &c. DURING THE OLD PANAMA RK, WITH MUCH LESS DOES THAN ARE NOW USED.

has worked on the Isthmus stems cannot but be struck us superiority of the dredge. t, so obvious, that I did not ent, so obvious, that I did not certa as soon as the conditions tible with a dredging plant o substitute the work of the of dry digging, and this in a hard essitated the employment of the work of excavating ma-

dely, the plant was just in action of the plant was just in action of the plant has been its period of rhaps a couple of months, the dely confirmed my expectations y hopes. Unfortunately for the evitable and blind reaction which ha disaster as that of the Panama but into suspicion the clearest med. I consider that it has been so one of the most fatal mistakes Panama Ca nal Company not to the same line of effort. It have done in the Culebra cut them infinitely cheaper and if they had followed my last of the same line of effort. It had put in action for a much of the them infinitely cheaper and that the wet process, the control of the culture of the control of the culture of the plant was just in action

ot been able to be again found de of operation has been folntractor for the excavation of s. In Culebra the blasting and s suffice to shake a large mass a it dredgable, but it (Monkey Hill sandstone), though coeptionally hard nature, requires betantial blasting. The excavater process of the canal in the Mindized completely by dry process ontractor, Jacob, signed his contractor, Jacob, signed his contract to take off the rails and attack by dredge with under water followed the method with which rimented in 1885 in the first kilotic canal, and by which I excavated my the Monkey Hill rock under of water. He prosecuted the extension of water. He prosecuted the extension of the contract of the contr

ton level, preferring that to open vation. be stated with certainty from practierence, such as the records of the mal may show, that under the very us conditions in which the excavation made on the Isthmus, without curry without variation of water level, a made at a cost less than \$1 per cubic neuding repairs and depreciation hinery. It can be equally stated a same Suez Canal records that their ybe extracted and dumped, including and amortization of machinery, at not reaching 75 cents a cubic yard, the hard clay, even with the light it requires the price ought to be low 30 cents a cubic yard with ordisaines, even including 12 cents for the ation of the locks ascending to mboa. The excavation of hard clay brought still lower with the new apparatus resulting from the composition of the locks ascending to make the light of the future, and, already resting on large experiments la, it is not sufficiently proved adapting other and very certain way to

other and very certain way to

But the other and very certain way to reduce the expenses will be obvious when we shall observe how perfectly a system of dredging works such as will be organized along the summit level is adapted to the use of electric distribution of power.

I have, with this end in view, prepared the way for the employment of electricity in the working of the dredges, and I had built in Holland by Smulders an electric driven dredge in 1895, according to special plans which I drew, and which was, so far as I know, the first electric dredge ever employed in public works. The results I obtained on the River Elsa, in Spain, have been eminently satisfactory, and convinced new qualities, reducing the expenses and the risk of accidents by unforeseen obstacles net under water.

met under water.

\*\*\*ASTONISHING DECREASE OF THE PRICE OF EXCAVATION AND OF THANSPORTATION. Such a distribution of power under electrical form will practically leave on board the dredge but an insignificant number of men, and one may readily understand the extraordinary economy of such a system of excavation producing \$6,500 cubic yards in twenty-four hours with three shifts of fifteen men, say with forty-five men a day, even admitting the average abnormal price of \$3 per man. The price of excavation proper will be reduced to \$135 for \$6,500 cubic yards, or about two cents a cubic yard for the labor. This will be associated with a very reduced amount of expense for the repair of machinery, owing to the employment of electricity, and with no expense to speak of for the generation of power, which will be given by the fall of Gamboa Lake.

The transportation would also be realized at a cost of perhaps one cent a cubic yard. The scows would have electric driven screws and would take their power from a trolley line along the summit level and on the lake. One line would be for scows going to the dump and the other for scows returning assistance of tugs would only be required near the dredges, near the locks and near the dredges, near the plant would reduce the price of excavation to a level difficult to believe.

From every point of view one must consider that the substitution of wet for dry excavation, if so understood, will create a veritable revolution in the prices and in the output of the work, owing to the great economy, efficiency, simplicity and limitation of labor thus realized.

I consider that outside of the great advantage of an early opening to navigation this system ought to be adopted for all excavations below elevation 130, even if the sea level canal should be constructed at once without any intermediary phase.

I need scarcely add that, even admitting half the efficiency named for the dredg

THE STRAITS OF PANAMA.

The ideal form of the water junction across central America is not a canal—it is a Bos-

Central America is not a canal—it is a Bosphorus.

The conception of the Straits of Panama, to which the waters of the two oceans will have free access, where ships will pass from sea to sea in four or five hours, with no limitation whatever, with no locks to pass through, has been hitherto relegated to the land of dreams on account of the expense, on account of the time required.

The new method I have here above developed, if considered with the full extent of its consequences, transforms this dream into a reality, which will necessitate about the same amount of money and the same amount of time as the tidal locked sea level canal actually contemplated; that is to say twenty-five years of time and \$300,000,000 of money, including in the first item the period of construction of the high level lock canal, but excluding from the second the cost of the appliances, locks and dams which it will have been necessary to erect for the early opening of navigation, as well as the surplus cost of the exervations made during this first period. Such a sum, however great it is, will have been amortized several times by the earnings of the traffic during the twenty-one years which will separate the acquisition of the first canal form from the realization of the first canal form from the realization of the first canal form from the realization e years which will separate the acquisition the first canal form from the realization the ideal passage—the Straits of Panama.

of the ideal passage—the Straits of Panama.

THE TIDAL CURRENTS NOT TO EXCEED 3.3

KNOTS IN THE STRAITS OF PANAMA.

The tidal currents which are to develop at Panama have been calculated by a commission of the Academy of Sciences of France and its report filed in the records of May 31

1887. For a canal such as was then projected, seventy-three feet at the bottom, they were found not to surpass a maximum of two and one-half knots; but the maximum current would be a somewhat higher one—about 2.8 knots—with the enlarged dimensions I am contemplating.

essional and scientific authority

rofessional and scientific authority commission is above any suspicion. Tofestional exact results when their calculations by showing it formulas gave practically, if apthe Suez Canal, exact results measurable on this canal, where, between or Lakes and the Red Sea, there are if due to the tides at Suez which feet sinches above and below the level after Lakes, 16 miles distant. The tofnot more than three knots therefore confidently expected, to till be added the flood currents, which plicial occasions will reach 0.4 knot collarsed prism of the canal, which had to expect a maximum current only occasions of 3.3 knots. One cannot that it is impossible to risk the enortherests of the commerce on the more certain calculation of the current. It observed that when the canal will level the locks of Miraflores will still d will serve as tidal gates with a slight will serve as tidal gates with a slight on. By leaving them open one sure the intensity of the current open navigation for that sole purday. According to what will take formula will be verified and no risk it the destruction of the locks. of such a current'it is necessary
e from to the ships, not only
below their keel. Therefore
give to the Straits of Panama
of feet at the bottom, a depth
elon, where no variation of level
an increased depth in proelength, so as to reach 55 feet
downwann sea level, which will
epth, in the lowest spring tides,
Straits.

The increase of volume over the 200,000,000

cubic yards necessary for the tide locked sea level canal will be, in round figures, 400,-000,000 cubic yards.

The Panama Straits so conceived will require an excavation of 600,000,000 cubic yards, which, if divided according to their nature on the basis of the proportions fixed in page 198 of the gray pamphlet, will give us 150,-000,000 cubic yards of hard rock, 300,000,000 cubic yards of soft rock and 150,000,000 cubic yards of earth. TOTAL COST OF CONSTRUCTION OF STRAITS OF

TOTAL COST OF CONSTRUCTION OF STRAITS OF PANAMA.

The dredging and transporting of earth will be fixed at 15 cents, including the amortization of the Gamboa Lake locks for 2.5 cents and including the amortization of plant.

The cost of mining and of making dredgable the soft rock is extremely low, as it consists largely of hard clay, for which very light blasting will be required in front of the dredges.

largely of hard clay, for banks, the blasting will be required in front of the dredges.

We shall admit 10 cents for that special work, and take 25 cents for the removal of soft rock under water.

The hard rock will be treated either by symmetrical blasting or by the Lobnitz hammers. The experience acquired at Suez and elsewhere during the development of the Lobnitz method allows us to fix at a maximum of 50 cents the price per cubic yard of hard rock breaking operations under our conditions of work. our conditions of work.

The total price will be, therefore, 65 cents The total price win be, therefore, to coales a cubic yard.

If these figures can be given with the perfect confidence that they are much above what may be obtained in practise, it must be remarked that they only apply to under

what may be obtained in practise, it must be remarked that they only apply to under water excavation.

A large part of the total cube will have to be excavated above elevation 130 by dry methods, and therefore will be more costly. It must, however, be remarked first that an ordinary dredge can attack banks fifteen feet above water, and that this limit can be brought to thirty feet by employing a chainless dredge of my invention, which I have built and which gave most satisfactory results. It must be remarked that even for the ground above direct attack of the dredge, if it cannot be excavated by floating instruments. It can be transported by floating scows, and that therefore the cost of transporting and dumping, which means fully 50 per cent. of the total cost of dry excavation (see report of February 1, 1905, by John T. Wallace, will be reduced to almost nothing. It must be also remarked that the hard rook is exceptional on the high part of the cut, and that therefore only earth and soft rook may be expected above elevation 130.

For all the reasons above stated I think that the prices of dry excavation of earth above level 130, which were exhibited (page 198 of the gray pamphlet) can be safely reduced from 50 cents to 25 cents, and that of soft rock from 80 cents to 25 cents, and that of soft rock from 80 cents to 25 cents, and that of soft rock from 80 cents to 25 cents, and that of soft rock from 80 cents to 25 cents, and that of soft rock from 80 cents to 25 cents, and that of soft rock from 80 cents to 25 cents, and that of soft rock from 80 cents to 25 cents, and that of soft rock from 80 cents to 25 cents, and that of soft rock from 80 cents to 25 cents, and that of soft rock from 80 cents to 25 cents, and that of soft rock from 80 cents to 25 cents, and that of soft rock from 80 cents to 25 cents, and that of soft rock from 80 cents to 25 cents, and that of soft rock from 80 cents to 25 cents, and that of soft rock from 80 cents to 25 cents, and that of soft rock from 80 cents to 25 cents, and that of

If we add to this amount for harbor, dam, electric power, controlling works of small streams, &c..... 

NEW METHOD.

If we compare this figure with that inscribed at page 198 of Part III. of the gray pamphlet as the probable cost of the tide locked narrow sea level canal, we find the latter one superior by \$21,779,776 to our figure.

TIME UNDER TWENTY-FIVE YEARS.

After having shown that the realization of the Straits of Panama will practically cost an amount equal to that of the narrow see level canal, it remains to make an estimate of the time resulted.

sea level canal, it remains to make an estimate of the time required.

We think that if the figures showing the powerful output of sisteen or more large electric dredges working in the summit level are kept in mind, namely, 30,000,000 cubic yards a year, that the possibility of excavating 600,000,000 is thereby established to correspond to a period of twenty years, to which must be added four years for the preliminary stage of the opening of the canal. We think also that a variation in the supposed efficiency will be easily corrected by increasing the plant.

stage of the opening of the canal. We think also that a variation in the supposed efficiency will be easily corrected by increasing the plant.

Any engineer who will think these figures are not perfectly reasonable, because he is accustomed to have in his head the figures corresponding to excavation by excavators on rails and transportation by trains and dumping by hand, must think that there is between a powerful electrically driven plant working on water and an ordinary plant working on rails the same relation as for cost and as for power of transportation by ship and the cost of transportation by ship and the cost of transportation of a ship and the power of transportation of a ship and the power of transportation of a ship and the power of transportation of a train.

He must, to do justice to these conceptions, imagine that a railroad man, accustomed to think that the cost of transportation under the most improved methods from the Pacific to the Atlantic by rail will be about \$10 or \$12, will be unable to understand how the same distance may be reached on sea for \$3 to \$4 with the proper steamers.

This is all the simple mystery of a method that carries with it such astounding results.

that carries with it such astounding results

Conclusion.

M. Bunau-Varilla's conclusion is "The general idea embodied in the project of the erection of a lock canal, to be later transformed to sea level, answers rigorously to the conditions which the President of the United States has outlined to the mem-bers of the International Board of Consulting Engineers as controlling the problem

submitted to them.

"The lock canal presented as correspond-"The lock canal presented as corresponding to the first phase is the canal that can be opened with the utmost possible speed. The lock canal presented as corresponding to the first phase is also the canal that can be opened with the highest margin of safety. It is the canal which presents the lowest earth dam, annihilating therefore any risk whatever that could be opposed with justice to a higher earth dam. It is the canal that presents the lowest cut in the summit level, and therefore which reduces to the minimum the risk of finding a soft stratum necessitating large and long works to prevent a landslide, the very idea of which is terrifying in such a deep cut. of which is terrifying in such a deep cut.

"For these two reasons it may be said that it is not only the quickest but also the safest to build, and that it affords the required ample and permanent communica-tion between the oceans in exactly the same nanner as any lock canal with a lower summit level, except for the time of transit which the President of the United States

has declared to be secondary if with any economy of time and any reduction of risk during the construction. "The President of the United States has also requested the board to examine if, in case a multilock high level canal should be adopted, it is possible later on to "ansform

"The argument presented demonstrates the feasibility of such a transformation under conditions of theoretical and practical and The feasibility of such a transformation under conditions of theoretical and practical perfection. It conveys outside of this particular quality the other and very essential feature of leading to a method of excavation of great power and corresponding cheapness, resolving entirely the labor question and utilizing the natural forces of the Isthmus to an unprecedented extent. With the great reduction in the price of excavation this system allows us to anticipate, as a simple and reasonable end of the transformation, not only the sea level canal with a tidal gate on the Pacific, but the real Bosporus, the real Straits of Panama, which can be crossed in five hours. To acquire this desired end it is necessary to have a canal 45 feet deep at lowest tide, 500 feet wide at the bottom and 600 feet wide at the water line. The tidal currents would in such a waterway have no inwould in such a waterway have no in-fluence on the ships provided with abundant water under the keel and on their sides, and therefore provided with the necessary condition to steer freely and to navigate with independence

condition to steer freely and to navigate with independence.
"Such a project, which would be chimerical with the ordinary system of works, as it would lead to a surplus excavation of 400,000,000 cubic yards over that of the canal, with 150 feet width and 35 feet depth, is in itself a perfectly reasonable and a comparatively easy task to do in a maximum of twenty-five years at a total price equal to that which would result from the immediate sea level excavation by a dry process ate sea level excavation by a dry process of a narrow, tide locked, sea level canal. The schedule of time, which I think may be kept completely, would be, opening the 130 level canal in four years, and excavating the rest of the waterway in twenty-one

years.

"The present plans present then, if compared to the immediate sea level execution by dry process, the opening to navigation in four years, instead of twenty, at least, and the possibility of completing in about the same space of time required for the sea level construction, and at a cost about equal, a cut of 600,000,000 cubic yards, instead of 200,000 000, necessary for the narrow sea level canal, thus creating a real Bossea level canal, thus creating a real Bossea. Straits.

Straits de loves spins tides, stead of 200,000 000, necessary for the narrow stead of 200,000 000, necessary for the narrow an injunction restraining the sea level canal, thus creating a real Bosea level canal, thus creating a real Bose

in a wide and deep waterway, 600 feet wide at the water surface and 45 feet deep at the lowest tide.

"It is believed to cover, as I said in my first words, all the requirements of the question, and to satisfy all the enormous interests involved. P. BUNAU-VABILLA."

OLDFIELD GOEST HROUGH FENCE.

It Was of Pasteboard, and He Afterward Wins Championship. POUGHKEEPSIE, N. Y., Sept. 29.—Barney

Oldfield, Dan Wurgis, C. G. Wridgway, Cedrino, the Italian, who is to drive in the Vanderbilt race, and several other automobile racing stars (of lesser magnitude shared with a pair of diving horses and a woman aeronaut the plaudits of 20,000 persons here to-day. It was the last day of the Dutchess county fair, the seventieth annual fair, and it was marked, as it was last year, as automobile day, although the horses, pigs, ducks and cattle, the tent shows, palmists and fakers did a bigger business than on the former days.

The one mile track was in prime condition and the races were spirited and interesting. The meet was under the sanction of the A. A. A. and was managed by Alfred Reeves of New York. It was a circuit championship meet, and the race for championship points was one of the best contested of the day, although there were closer finishes in others. Oldfield and Dan Wurgis made a struggle of it from start to finish in the championship, keeping about 100 yards apart, first one gaining a little and then the other. Oldfield finally won by just about 100 yards.

The match race between Cedrino and Dan Wurgis was another good one that kept the interest tense throughout, until Cedrino won by fifty yards. The handicap was a runaway for Fleming with his Maxwell, but there was a rousing good fight for second place between Cedrino, the scratch man, and Wurgis, who had five seconds

man, and Wurgis, who had five seconds start on him.

Although the track is not one of the fastest for motor cars, Oldfield and Cedrino gave exhibitions of speed which held the crowd in breathless interest. Oldfield's time for five miles was only eighteen seconds slower than the wordl's record for the distance. Not an accident marred the sport, but some rare entertainment was afforded before the races by Oldfield plunging through the fence. It was a pasteboard fence however, and the "accident" was a mock one, performed for the moving picture machine.

It is a part of the plan of Oldfield's manager to have some of the chief features of the racing man's summer campaign reproduced in the theatres this winter, and the crowd at Poughkeepsie furnished him an opportunity. The scheme was to reproduce the scene of Oldfield going through the fence in his accident at Detroit. For the occasion, a section of the post and rail fence that encloses the infield, near the first turn, had been replaced by a pasteboard structure. The picture machine and its operator stood on the rear deck of a car from which the tonneau had been removed.

This car ran along the track in front of and

removed.

This car ran along the track in front of and a little to the outside, while Gldfield in his Green Dragon, the habitual cigar stump in Grsen Dragon, the habitual cigar stump in his mouth, came scoring down the course, with C. G. Wridgway in a racing Peerless running just a length behind, to represent his competitor. Just before the place for the accident was reached, Oldfield wabbled his car skilfully a couple of times. Following the suggestion of the photographer, the crowd, or that part of it which understood, waved hats and handkerchiefs, and nearly every one of the spectators was grinning as Oldfield crashed through the paper fence. In driving through the structure Barney almost spoiled the comedy by creating tragedy, for one wheel of his car grazed a real post of stout wood. As the car went through the fence Barney threw up his heels and rolled backward from his car in a fail realistic enough to guarante his stage career.

his car in a fall realistic enough to guarante his stage career.

Oldfield had no sooner struck the ground than the photographer's assistant rushed to him and daubed his cheek with a sponge that had been soaked with ink. Barney put up his hand, removed it and looked at the ink.

"Here! Is this part of the game?" he demanded angrily.

"Oh, yes! that's to represent blood. Don't wipe it off!" exclaimed the assistant.

The car with the moving picture camera on it halted before the tragic scene.

wipe it off!" exciaimed the assistant.

The car with the moving picture camera on it halted before the tragic scene. Police, spectators, race officials, villagers, etc., were hurrying across the track to the spot. An ambulance came bounding down the track, its gong pounding as if the driver wanted its noise to get into the the driver wanted its noise to get into the picture. It was all quite realistic, the more so because a number of the agrarians from the back districts did not understand it as burlesque and took it seriously. These

enabled the police to put in some real busi-ness before the lens.

The black ink trickled from Oldfield's face, down the collar of one of his fancy racing shirts. "I suppose it all goes," he growled, as the policemen lifted him on growled, as the policemen lifted him on to the stretcher. Then he, too, began to grin. One of the cops was so anxious about how he would appear on the screen of the theater that he kept his face turned toward the camera, and did not look where he was going. This caused him to stumble and nearly drop the grinning corpse.

Arrived at the ambulance, there was a hitch. The cops at the head of the stretcher wanted Barney put in feet first, while those at the feet end did not want to turn about. There was a brief pause for an argument. Finally, Barney was pushed in head first. As he slid into place in the ambulance he remembered something.

As he slid into place in the ambulance he remembered something.

"Gee!" he exclaimed, "I've got my butt in my mouth! A fine dead one, I am, clinging to my butt!"

Barney removed the butt from his mouth, but not his grin, and the machine went on taking pictures of him while he did it. Then the ambulance went away at a gallop, with the crowd laughing and waying handwith the crowd laughing and waving hand-kerchiefs. On the whole, this show was better than that of the races or the driving

horses.

horses.

One mile open, for stock runabouts—Won by Charles Fleming. 8 horse-power Maxwell. Time, I minute \$2 seconds. R. E. Randolph, 8 horse-power Maxwell, second. Time, I minute \$2 2-5 seconds. Won by a length.

Two Mile Special for Stoddard-Dayton cars—Won by James Mclivid, in 20 horse-power car, second. Time, 8 minutes 28 seconds. Won by half a mile.

Three mile exhibition by Mrs. Joan N. Cuneo in White steamer. Time, 4 minutes 37 1-5 seconds. Five mile match race between Dan Wurgis driving the Red Bird and Emanual Cedrino driving Flat Junior.—Won by Cedrino. Time, 5 minutes 8 4-5 seconds. Wurgis's time 5 minutes 14 seconds. Won by 50 yards.

Three Miles for Maxwell Touring Cars—Won by H. E. Randolph in a 16 h. p. car, Charles Fleming, 16 h. p. car, second; H. A. Grant, 16 h. p. car, third. Time, 5 minutes 18 3-5 seconds. Won by half a length.

Five Mile National Circuit Championship—Won.

if h. p. car, second; H. A. Grant, 16 h. p. car, turner. Time, 5 minutes 18 3:5 seconds. Won by half a length.

Five Mile National Circuit Championship—Won by Barney Oldfield, 50 h. p. Peerless, Time, 5 minutes 50:35 seconds. Dan Wurgis, 32 h. p. Reo Bird, second. Time, 6 minutes 2:35 seconds. C. G. Wridgway, 25 h. p. Peerless, third. Time, 6 minutes 15:3:5 seconds. Won by 100 yards.

Five Mile Exhibition by Barney Oldfield in the Green Dragon—Time by miles: 57:2:5 seconds. 1 minutes 50:1:5 seconds. 2 minutes 51:5 seconds. 3 minutes 50:1:5 seconds. 4 minutes 47:3:5 seconds. Five Mile Handicap—Won by Charles Fleming. 8 h. p., Maxwell. 3 minutes handicap; E. Cedrino. 24 h. p., Flat Junior, scratch, second; Dan Wurgls. 35 h. p., Peerless. 50 seconds. fourth. Time, 7 minutes 15:2:5 seconds. Won by 7:6 of a mile. One mile exhibition by Barney Oldfield, in the Green Dragon. Time, 57 seconds.

One mile exhibition by E. Cedrino, with the Flat Junior. Time, 1 minute 2:5 second.

Police Horses Sell Well.

The sixty-sixth auction sale of horses in the Police Department was held yesterday at the stables of the West 152d street station. Five horses were sold. Tioga, Inspector Schmittberger's favorite, which Inspector Schmitterger's layorte, which he rode in many parades, went for \$107.50. He is still a good horse, but not up to the standard for police work. Malster went for \$52; Mellin, \$57; Frank, a horse that has passed through many exciting experiences and is now blind, brought \$85, and the last on the list, Regent, went for \$117.50.

Court Halts Texas Railway Tax Collection. Austin, Tex., Sept. 29.-Judge Victor Brooks of the District Court to-day issued an injunction restraining the State from collecting the 1 per cent. tax on the gross earnings of Texas railroads. The taxes

Continued from Third Page.

George H. Squire held this job and Louis Fitzgerald preceded Mr. Squire.
Mr. Schiff testified in the days when
Louis Fitzgerald was financial secretary
it was his recollection that Mr. Fitzgerald some times had power to say immediately that he accepted or declined the proposi-tion. Mr. Fitzgerald was chairman of the Equitable's executive committee as well as the finance committee, and was president of the Mercantile Trust Company.

SYNDICATE WORKINGS. Mr. Hughes said that he had poticed in some of the letters that had been put in evidence which were addressed to Kuhn, Loeb & Co., in regard to syndicate transactions, the words" the bonds to remain syndicated under our control." Mr. Hughes wanted to know what that meant wanted to know what that meant.
"That means," said the witness, "that
Kuhn, Loeb & Co. had charge of the sale

of the bonds during the existence of the syndicate." Q. That implies, I take it, that an insurance company as a member of a syndicate is not to withdraw its bonds, but permit them to be sold? A. Only by special permission.
Q. Yes, that is, it is not to withdraw its bonds against your wish? A. Perfectly correct. Q. And, except with your firm's consent,

e insurance company would not be able invest in these bonds unless they bought em in the market? A. That is correct. them in the market? A. That is correct.

Counsel for the committee asked Mr.
Schiff to explain how Kuhn, Loeb & Co.
made up a syndicate. He wanted to know
whether Kuhn, Loeb & Co. didn't simply
notify different parties of how much the
firm would allow them each to have. Mr.
Schiff replied that that was the general

Schiff replied that that was the general principle.

Q. You don't have to go around and beg them to become members of a syndicate?

A. Indeed not.

Q. They are only too glad to get the opportunity?

A. Yes.

Q. It is a good thing to be let in? A. Well, a good thing in Kuhn, Loeb & Co's syndicates—generally, they pay.

Mr. Hughes took up in detail the list of syndicate transactions which Mr. Schiff had supplied. He called his attention to the Union Pacific reorganization syndicate in October, 1895, in which Louis Fitzgerald had an allotment of \$1,500,000. Mr. Hughes wanted to know if Mr. Schiff could think of any reason why the allotment was made to Mr. Fitzgerald and not to the Equitable.

Mr. Schiff said that he supposed that it was because Gen. Fitzgerald was chairman of the reorganization committee of the Union Pacific Railroad and was in close touch with both Kuhn, Loeb & Co. and parties with whom the firm had dealings.

GEN. FITZGERALD DECIDED ALLOTMENTS. GEN. FITZGERALD DECIDED ALLOTMENTS.

Mr. Hughes said that he noticed that in Mr. Hughes said that he noticed that in some cases there was an allotment to Gen. Fitzgerald direct and in other cases to the Equitable. He asked the witness whether he could explain that. Mr. Schiff said that Gen. Fitzgerald, probably directed it to be done that way. Gen. Fitzgerald, Mr. Schiff said, was president of the Mercantile Trust Company, and the Mercantile Trust Company in former years was a financial factor in the Equitable. He was, in short, Mr. Schiff said, a financial factor in a certain circle of Equitable Life Assurance Socicircle of Equitable Life Assurance Society affairs, and he knew best how much the different interests that he represented were entitled to, and it was left to him to decide.

Mr. Hughes asked further whether it had ever converse to Mr. Schiff as a director.

Mr. Hughes asked further whether it had ever occurred to Mr. Schiff as a director of the Equitable, when Gen. Fitzgerald got a participation, to see that the Equitable got the profit which should go to it.

"I had the fullest faith," said Mr. Schiff, "in the fair dealing of Gen. Fitzgerald.

Mr. Schiff said that nobody participates in a Kuhn-Loeb syndicate except through the good will of Kuhn, Loeb & Co.

Referring again to the allotments by Kuhn, Loeb & Co. to Gen. Fitzgerald, Mr. Hughes asked:

Hughes asked:
"So you confided entirely in his fairness in making the division?"
"Yes." said Mr. Schiff. Q. You made no further inquiries regarding

it? A. No.

Q. Did Gen. Fitzgerald ever report to you how he divided the participations that were allotted to him? A. I don't rembember.

Mr. Hughes said that he found in several syndicates managed by Kuhn, Loeb & Co. an allotment to George H. Squire out of Kuhn, Loeb & Co.'s share. Mr. Schiff said that that was a special favor to Mr. Squire, He said that the participation was taken out of Kuhn, Loeb & Co.'s allotment so that it would not fall to anybody else's share.

it would not fall to anybody else's share. Q. Well, what was the object of that? A. I think the object of that was that Mr. Squire asked us for it and he had sons and he wanted Q. It was simply a favor to him then?
A. We gave it to him. We gave him a part of the participation because he asked us for it.

Kuhn, Loeb & Co., said Mr. Schiff, had Mr. Squire on their list before he became

acquainted with the Equitable. He was an

HYDE SAID HE'D DECIDE. A letter from James H. Hyde to Kuhn Loeb & Co., written in 1902, was read. This letter requested that Kuhn, Loeb & Co. in the future would understand allotments of

the future would understand allotments of securities to James H. Hyde and associates to include the Equitable Life Assurance Society, the Metropolitan Trust Company the Western National Bank, the International Bankin Company, the American Deposit and Loan Company, the Commercial Trust Company, the Franklin National Bank, and such personalities as Mr. Hyde and his associates might designate. and his associates might designate.

Mr. Schiff testified that he had no idea that Mr. Hyde was allotting to himself a

portion of the participations given by Kuhn Loeb & Co. to James H. Hyde and Associ ates. He learned of this only after the dis closures in the Equitable came out. The Hyde letter announced also that in the fu-ture all participations of the Equitable Life Assurance Society in the underwriting syndicates should be made in the name ames H. Hyde and Associates.

Mr. Hughes asked the witness to explain

why it was that an official letter of this sort should be written on this subject. Mr. Schiff said that Mr. Hyde had come to the firm of Kuhn, Loeb & Co. and announced that he would like to have allotments made in the future in this manner and that Mr. Kuhn of the firm had told him that his request would be complied with only in the event of an official letter being received from the Equitable. Mr. Schiff said that he thought such a written request signed by Mr. Hyde as vice-president was suffi-cient for any banking house.

Q. You think Mr. Hyde had authority to dispose of the allotments which properly would have gone to the Equitable Society? A. I want to say that the allotments made to Mr. Hyde were for very much larger amounts than would have gone to the Equitable So-ciety.

Counsel for the committee wanted to know whether Mr. Schiff knew that resident James W. Alexander was receiving participations out of these allotments to James H. Hyde and Associates.

"I cannot answer said question properly," said Mr. Schiff. "I think Mr. Alexander was the complete that the said for the control of the said for the said for

was frequently in syndicate participations. ENTER HARRIMAN. It was at this point that Mr. Hughes took up with the witness the Union Pacific pre-ferred stock holding syndicate, on account of which District Attorney Jerome a short

of which District Attorney Jerome a short time ago made a visit of inquiry, not only to Mr. Schiff's office, but to the office of Edward . Harriman. Mr. Schiff asked permission in the begnning to make a state-ment. Rising from his chair and stepping to the front of the platform he said: "Now, there has been some considerable discussion, unjust discussion and unjust incipations in regard to this matter. discussion, unjust discussion and unjust insinuations, in regard to this matter. I have said in my testimony before the Superintendent of Insurance when he said Kuhn Loeb & Co., sold \$2,500,000 of Union Pacific preferred stock to the Equitable Life, that that was a false report; that Kuhn Loeb & Co. never had sold any kind of stock to the Equitable Life, and I stand by what I have said in said testimony.

"The Union Pacific preferred stock syndicate was not formed by Kuhn. Loeb & Co. at all. They never sold any Union Pacific preferred to anybody. The Union Pacific preferred stock syndicate was formed by Mr. E. H. Harriman for the purpose of getting holdings of the Union Pacific stock, the concentrated holdings, and for said reason the preferred stock was chosen

and not the common stock. There is no secret in it, sir. We have never had the original syndicate letter or the original syndicate paper. We were simply asked to act as a clearing house, to purchase the stock at the New York Stock Exchange, and to furnish it to the subscribers in said syndicate at guid cost.

stock at the New York Stock Exchange, and to furnish it to the subscribers in said syndicate at such cost.

"We have never made any profit out of the syndicate. Said syndicate was for \$50,000,000, of which nearly the entire amount has been acquired. Among the names furnished to us as participants in said syndicate was the name of James H. Hyde, individually, for \$2,500,000, and I have never known until the disclosures of the Frick committee that the Equitable had any share in such syndicate. It is true that at several meetings of the finance committee it was brought up that Union Pacific preferred stock had been bought, but nothing else was brought up. It was not brought up that it was bought in a syndicate. It was simply read off with a list of securities which had been acquired, and I stand by it that I voted for the purchase of Union Pacific preferred stock. There is no better investment in this wide world. The Union Pacific Company earned last year \$22,000,000, over and above all of its charges. Every life insurance company made by that stock, and it cannot get a better security. That is all there is to it.

"Since it has been disclosed that the

"Since it has been disclosed that the Equitable Life Assurance Society holds this stock, it has been asked to divest itself of it. Mr. Paul Morton, its new president, has repeatedly been asked by the managers of the syndicate to receil that stock to them. has repeatedly been asked by the managers of the syndicate to resell that stock to them, and he has declined. Probably he must assume that it is a good enough thing to hold for a profit. It is not the Equitable Life I consider in this matter. Even if I had known that this stock of the Equitable Life was held in a syndicate, I am not certain that I would have voted against it. Union Pacific preferred stock as a permanent investment in a holding syndicate is a good thing. I would have voted that it should hold the stock so, because I think it would have been to its advantage."

IT WAS HARRIMAN'S AFFAIR.

IT WAS HARRIMAN'S AFFAIR. Mr. Schiff added that he had still to exchange his first word with Mr. Hyde about

exchange his first word with Mr. Hyde about his interests in this syndicate.

"I have never spoken to him about it because it was not my affair," said Mr. Schiff. "He has never spoken to me about it. It was Mr. Harriman's affair."

Mr. Schiff said that the managers of the syndicate offered to buy the stock from the Equitable because they did not think that a life insurance company was a desirable associate in such a syndicate. It was not. a life insurance company was a desirable associate in such a syndicate. It was not, he said, on the life insurance company's account, but on their own account that the managers had offered to buy it back.

managers had offered to buy it back.

Q. What was the purpose of this syndicate?
You have said it was to concentrate a holding
of a large amount of stock. Do you mean
by that to maintain through such holdings
a control of the Union Pacific property?
A. Mr. Hughes with all due deference I do
not think that is a question I ought to answer.

not think that is a question I ought to answer.

Pressed further, Mr. Schiff said that the pith of it was that those interested for their own convenience desired to hold a large amount of Union Pacific preferred stock.

Mr. Schiff added:

"Let anybody who wants draw his own inference why that was wanted."

Mr. Schiff produced what purported to be a copy of the agreement. The agreement was dated Nov. 11, 1902. It provided for a maximum obligation of \$50,000,000 for the purpose of jointly purchasing shares of the preferred stock of the Union Pacific Railroad Company. The average price of Railroad Company. The average price of the shares purchased under the agreement should not exceed par and accrued interest. should not exceed par and accrued interest, and the total syndicate expenditures and obligations should in no event exceed the aggregate of the several subscriptions. It was provided that the purchasers should be under the direction and control of Edward H. Harriman, Jacob H. Schiff, and James Stillman, as syndicate managers, "who may purchase and sell and repurchase shares from time to time, acting in their discretion, who are to be subscribers thereto and participants in the syndicate or pool hereby formed."

thereto and participants in the syndicate or pool hereby formed."

It was provided further that the purchases were to be pooled under such control for a period of not less than five years from the date of the agreement, and in the meantime were not to be sold by the subscribers. The subscribers agreed to hold the certificates of stock subject to the control of the managers, for sale or for exchange, and to return and deliver to the managers on demand from time to time these certificates for the purpose of effectuating the terms of the agreement.

The managers had power at any time within the period specified to sell the shares to a holding company upon such terms to a holding company upon such terms and in such manner as should be approved by a majority in interest of the subscribers. managers act by a majority. It was The managers are by a majority. It was provided further that the maximum amount of the syndicate operations might from time to time be increased by consent of the majority in interest of the subscribers, subject to the limitation that the participation and such increase shall be distributed to the subscribers of the subscribers of the subscribers. among the subscribers or otherwise as the subscribers may determine, or, in default of determination, in the discretion of the

managers.

Counsel for the committee wanted to know whether the managers of the syndiknow whether the managers of the syndicate had taken any action yet as regards President Morton's request that the Equitable society be acknowledged as a party to the agreement, now that Mr. Hyde had formally assigned his interest to the society. The witness said that no decision had been reached, as Mr. Harriman was in China or Japan, but that when he came back the matter would be acted upon.

INSURANCE COMPANY A POOR PARTNER. Mr. Schiff said that a life insurance com-Mr. Schin said that a fire instraince company wasn't a satisfactory partner in such an agreement, because in any decision which the syndicate managers might attempt to reach all the members of the insurance company's board of directors would have to be consulted.

Mr. Schiff said that when Mr. Hyde signed the correction was regarded that he was

the agreement it was regarded that he was entirely able personally to furnish the \$2,500,000. Mr. Schiff declared that the stock was turned over to Mr. Hyde's messtock was turned over to Mr. Hyde s mes-senger and not to any representative of the Equitable Society. Mr. Schiff ad-mitted that it was quite evident that Mr. Hyde had the Equitable pay the call, and that the society had got the stock, but no part of these transactions came to his

knowledge.

Mr. Schiff reiterated what he had said before Supt. Hendricks in regard to the falsity of the Equitable minutes when they recorded the society as having bought the stock from Kuhn, Loeb & Co. Mr. Schiff's plea for having voted his approval of the purchase in the finance committee meeting was that he did not hear the stock read, although the records show that it was read. "My attention was not called to it," said

Mr. Schiff. "I want to say that any syndi-cate transaction like this was never brought to the attention of the finance committee. I do not remember that the Equitable on not remember that the Equitable society ever went into a syndicate transaction such as this. The securities very likely were simply read off and then at the end of it nothing was said of a holding syndicate.

cate.

In response to questions in regard to Mortimer Schiff's visit to the Equitable building on account of the syndicate transaction Mr. Schiff said:

action Mr. Schiff said:

"This came to my notice some four or
six weeks ago, and I sent immediately to
New York. My son, however, was in
Europe and I immediately telegraphed to York to have them ascertain whether New York to have them ascertain whether it was correct that my son had made this visit. The reply of my son is that in the report of last year of the Equitable he found a statement that they had so much Union Pacific preferred in the syndicate that he immediately went over and saw Mr.

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McIntyre and told him, as I said in my testimony, that we knew nothing of it and could recognize no such thing, and that Mr. Hyde was the holder and that the Equitable had no interest to our knowledge in it.
Mr. McIntyre answered that it would be

corrected."

Mr. Schiff declared that he had not been informed of this act by his son until he read "That," he said, "was part of Mr. Hyde's effort to shield himself. He knew I knew nothing. He has not spoken to me the first word about it; and, as I said, I never exchanged a single word with Mr. Hyde about his holding interest."

contradicts hendricks.

Mr. Schiff, in conclusion, asked permission to make another statement. He said:

"I have read the part of the Superintendent of Insurance's report and have noticed that he has made certain statements. Part of those statements have been published and have been criticized. These statements, or part of them, have been published to my damage and to the damage of my firm."

For instance, Mr. Schiff said, in the face of evidence to the contrary the Superintendent of Insurance had made a statement that the Equitable Life Assurance Society bought certain Japanese bonds from Kuhn, Loeb & Co., and a short time afterward sold the same bonds back to Kuhn, Loeb & Co. at a loss of 2½ per cent. Mr. Schiff declared that this was not true.

"He makes a statement," said Mr. Schiff, "in the face of testimony before him to the contrary. Now I want to state here, for it has been stated that Kuhn, Loeb & Co. monopolize the best financial business with the Equitable Life Assurance Society, that CONTRADICTS HENDRICKS.

it has been stated that Kuhn, Loeb & Comonopolize the best financial business with the Equitable Life Assurance Society, that during the past five years Kuhn, Loeb & Cohave sold bonds in the market and altogether, securities to the amount of \$1,360,000,000, and of all this they sold only \$33,000,000 or \$34,000,000 to the Equitable Life Assurance Society. Does it look like undue influence, does it look like undue favoritism? Kuhn, Loeb & Co. during the past five years have sold \$24,000,000 of bonds to the Mutual Life Insurance Company, and sold \$31,000. Life Insurance Company, and sold \$31,000,000 to the New York Life Insurance Company, and they have sold \$33,000,000 to the Equitable Life Assurance Society. Does that look like favoritism?"

Mr. Schiff said that almost invariably

Mr. Schiff said that almost invariably there had been an advance in the value of the securities which the Equitable had bought from his firm and that the society had greatly profited by the transaction.

"I have," concluded Mr. Schiff, "not asked any favor as a director of the Equitable Life Assurance Society. I have granted many favors. I have not done, as a director of the Equitable, any wrong of commission. I may have done something by omission. It is a case of hindsight and not of foresight, but my conscience frees me from any censure of wrong. I have been as good a director as I knew how to be, and I did my duty."

Edward Devlin, superintendent of the real estate department of the New York

real estate department of the New York Life, was called to the stand for a few minutes yesterday and testified that the New York Life's building in Paris, with improvements, cost \$2,533,000 and that it was carried on the books at a cost of \$1,300,000. It was carried at the latter departs because it represents the capitalization. Laure because it represents the capitaliza from as figured on its earning capacity. Mr. Hughes pointed out to the witness that this was a rate of only 1½ per cent, on the money invested. Mr. Hughes intends to take up the New York Life real estate valuations when the inquiry is resumed next week. sumed next week.

BE SMART, BE NOT TOO SMART. Tip From the Bench (With Costs) for a

Technically Correct Young Lawyer. Charles E. Ring sued John L. Dudley and thers. Ring's attorney received by mail, within the statutory limit of time, the answer of the defendants to his complaint. But, it appears, the lawyer, on observing that the envelope containing the answer was wrongly addressed, declined to service of the answer, and handed the enservice of the answer, and handed the en-velope and contents back to the letter carrier who had made the delivery. A judgment was then taken by default, on the theory that the defendants had not served Justice Delehanty of the City Court looked into the facts, and then granted a

looked into the facts, and then granted a motion to open the default, imposing the costs of the motion on Ring's attorney.

"My only regret," he comments, "is that these terms cannot be made more onerous. In all my experience, I have never witnessed such a wanton disregard of the ethics and proprieties of the legal profession, nor such a lax observance of the rules of practise as is shown by the conceded acts of the attorney for the plaintiff. It may not be amiss to say, as a word of advice to young practitioners, that it never pays in the long run to be tricky, or too technical in one's practise."

ELEVATED TRAGEDY INQUEST. Coroner's Jury Views Scene of Accident in Which Twelve People Were Killed.

Coroner Scholer and a jury began yesterday an investigation into the wreck on the elevated road at Ninth avenue and Fifty-third street on the morning of September 11, when twelve persons were killed.

tember 11, when twelve persons were killed. After members of the jury were sworn in they were taken by the Coroner to the scene of the accident.

Led by Capt. Gallagher of the West Forty-seventh street police station and Supt. Smith of the Interborough Rapid Transit Company the jury inspected the track, signals and switch tower on the Fifty-third street curve. The inquest was adjourned until Monday.

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WANTS US TO EXCLUDE JAPS. Japan Can Use Her Surplus Population to Develop Corea and Manchuria.

WASHINGTON, Sept. 29.-According to nformation received at the Department of Commerce, Japan wants the United . States to enact legislation discouraging Japanese immigration to the United States. This information comes from a Depart-ment special agent who recently had a conference with Durham White Stevens, diplomatic adviser to the Emperor of Corea.

The special agent reports that Mr. Stevens said that Japan is eager to undertake the development of Corea and Manchuria and to settle them with her surplus population in order to maintain her dominating influence there. For this reason it would not object if the United States passed laws discouraging Japanese from coming to this discouraging Japanese from coming to this country. He added, however, that Japan would protest against any act on the part of this country which would look like discrimination or which would reflect on Japan's dignity.

ALIMONY FOR GROWN MAN. Faile Objects to Paying It, Now That His

Supreme Court Justice Scott reserved de-George E. Faile, to be relieved of the terms of a decree of divorce obtained against him a decade or more ago, by which he has to pay his former wife \$37.50 a month for the

apport of their son, Edward Hall Faile, ho is now a student at Cornell. Mrs. Faile is now Mrs. Alexander Pringle of New Rochelle, and her original alimony allowance has been reduced considerably on account of her marrige. Faile alleges now, in support of his application to Justice Scott, that young Faile is of legal age, and that his stepfather, Pringle, is well to do, and should support young Faile, if it is necessary that any one should sup-

GRAND CIRCUIT RACES.

Favorites Beaten in Three Events at Cincinnati. CINCINNATI, Sept. 29 .- Only a fair crowd

vitnessed the grand circuit races at Oakley Park to-day. Favorites were unable to land Park to-day. Favorites were unable to land any of the money. In the first heat of the 2:15 trot Albert C. won. Boreazelle, the second choice took the next three easily. Maude Kewick, the favorite, succeeded in winning the first two heats of the 2:06 pace. Hazel Patch took the next three heats and the race. Gold Dust Maid won the 2:12 trot in straight heats. Mainland, the favorite, finished sixth in the first heat and was beaten not a neck in both the second and third heats. In the third Mainland was winning when he broke ten feet from the wire.

2:15 class, trotting purse \$1.000:

2:15 class, trotting: purse \$1,000: Boreazelle, br. s., by Boreal-Luzelle 2:15 class, trotting: purse \$1,000.

Boreazelle, br. s., by Boreal-Luzelle (Demarest) 2
Albert C, g. (J. Dickerson) 1
Boweatcher, b. g. (W. McCarthy) 6
Artols, b. m. (L. Turner) 3
Italia, b. m. (V. Nichols) 9
Nance Holland, b. m. (E. Hall) 5
Imperial Allerton, b. s. (S. Easing) 8
Princess Xenia, br. m. (Booth) 7
John Turney, b. g. (W. Snow) 4
Nellie Price, bik. m. (C. Pinguely) did 1
Time-2:12, 2:114, 2:114, 2:142, 2:144.

Time—2:04 1.5, 2:053, 2:06, 2:0692, 2:07
2:12 class, trotting; purse \$1.000;
Gold Dust Maid, blk. m., by Sliverthorn—
Mamle G. (E. Geers)
Malnland, b. s. (A. Thomas)
Lady Pauline C., br. m. (J. Chandler)
Morn, ch. g. (G. Brinkerhoff)
Kindest Kind, ch. g. (A. Padgett)
Danube, br. s. (C. De Ryder)
Bonner, b. g. (H. Jones)
Du Puytren, br. s. (F. Jolly)
Time—2:1114, 2:1114, 2:1114.

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